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SENATE BILL 7007 By
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HOUSE BILL 13 of the First Extraordinary Session
By Hargrove

AN ACT to enact the Tennessee Fair Sales Tax Law of 1999 and
to amend Tennessee Code Annotated, Title 67, Chapter 6.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, is amended by adding
the following as a new Part 8:

67-6-801. The title of this act is, and may be cited as the "Fair Sales Tax Law".

67-6-802. Claimants to be Tennessee residents. The refunds described in this
part shall be available only to real persons who are Tennessee residents as of each April
15, and were residents of Tennessee for the preceding twelve (12) months.

67-6-803. Refund Amounts. The amount of any refund pursuant to this part by a
claimant from any household shall be determined as follows:

(1) For adult taxpayers living in households with household incomes
equal to or less than the federal poverty level that is in effect each April 15 for the
appropriate family size, fifty dollars (\$50) per adult family member and fifty dollars
(\$50) per dependent as defined in § 152 of the Internal Revenue Code of 1986
(26 U.S.C. § 152).

(2) For adult taxpayers in households with household incomes equal to or
less than one hundred twenty-five percent (125%) of the poverty level that is in
effect each April 15 for the appropriate family size, twenty-five dollars (\$25) per
adult family member and twenty-five dollars (\$25) per dependent.

(3) For taxpayers not covered by subdivisions (1) and (2) but who are over sixty-five (65) years of age on each April 15, and who are living in households the income of which is equal to or less than two hundred percent (200%) of the federal poverty level, twenty-five dollars (\$25) per adult family member and twenty-five dollars (\$25) per dependent.

(4) The refund amounts set out in subdivisions (1), (2) and (3) shall be adjusted annually for inflation by the commissioner of revenue, such adjustments to correspond to annual fluctuations in the consumer price index compiled by the Bureau of Labor Statistics in the United States Department of Labor for the twelve (12) month period ending each September 30.

67-6-804. Refunds to be Automatic. The commissioner of revenue shall direct the issuance of refund checks for amounts set out in Section 67-6-803 above as follows:

(1) Checks shall be automatically forwarded to all eligible taxpayers who file federal income tax returns. Each such filing taxpayer shall receive a refund check covering refunds for the taxpayer and taxpayer's dependents, up to a total of five (5) dependents. Where married taxpayers file jointly, the commissioner of revenue shall issue their refund check in the names of both filing spouses.

(2) Adult taxpayers who do not file federal income tax returns or who desire to obtain refunds for dependents in excess of the five (5) automatic refunds provided pursuant to subdivision (1) shall file an annual return on a form promulgated by the commissioner of revenue.

(3) In households which do not file federal income tax returns, only one (1) adult taxpayer shall file a refund claim which covers dependents.

(4) Refund checks shall be mailed to taxpayers by each August 15.

(5) The commissioner of revenue is authorized to promulgate regulations to administer distribution of refund checks and the processing of returns pursuant to this part.

67-6-805. Jurisdiction.

(a) Disputes between taxpayers over the ownership of refund checks and refund monies shall be subject to the exclusive jurisdiction of the general sessions court in the county to which the refund at issue was mailed.

(b) Taxpayers seeking refunds under this part from the commissioner of revenue shall be entitled to the remedies set out in Tennessee Code Annotated, title 67, chapter 1.

67-6-806. Fraud. Anyone who knowingly or recklessly makes false or misleading statements on a return filed as authorized by this part, or on a federal tax return which generates a refund under this part, commits a Class A misdemeanor.

67-6-807. Outreach Program. The commissioner of revenue shall create an outreach program which shall advertise the existence of the refund program authorized by this part to persons who do not file federal income tax returns.

67-6-808. Unclaimed Checks.

(a) Checks issued under this program shall be valid for ninety (90) days from the date of issuance.

(b) Checks not cashed within ninety (90) days from the date of issuance shall be void.

(c) A taxpayer who receives and fails to cash a check issued pursuant to this part within the ninety (90) day period set out in subsection (a) shall be deemed to have forfeited its right to a refund under this part.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

